



krungsri  
กรุงศรี

A member of  MUFG  
a global financial group

Krungsri's  
**75<sup>th</sup>**  
Anniversary

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# Bank of Ayudhya PCL

June 2020

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"Make Life Simple เรื่องเงิน เรื่องง่าย"

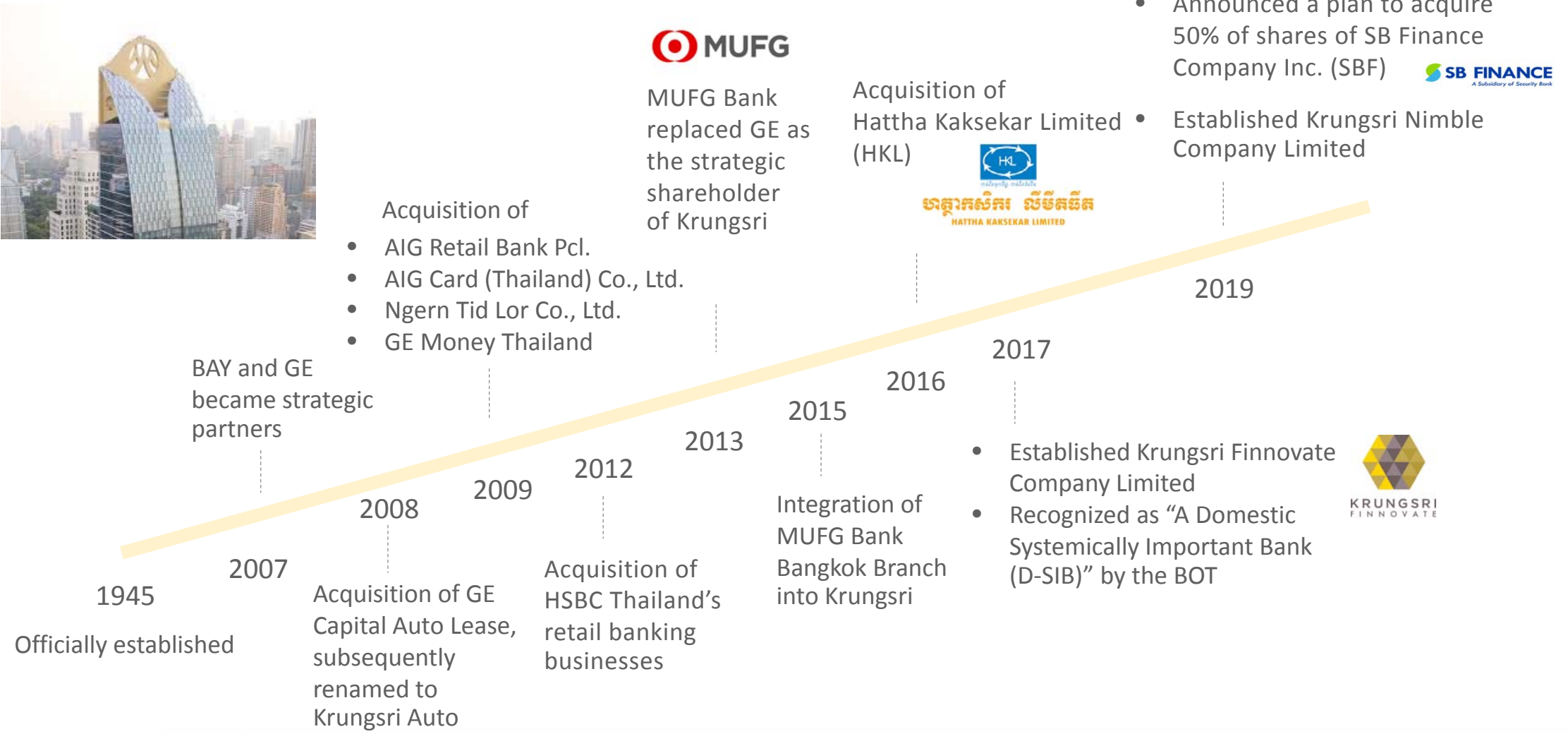


**Who we are**

**Key Financials & Development Highlights**

**Medium-Term Business Plan 2018-2020 Achievements**

# History of Krungsri



Fact about Krungsri: Thailand's 5th largest universal bank with leadership position in consumer finance & Japanese Corporate market



*The combination of Krungsri's **global capabilities and network as part of the MUFG family**, giving us unique strength and enhanced competitiveness.*

# Subsidiaries and Joint Ventures



## Credit Card, Personal Loan & Sale Finance

- Krungsriayudhya Card Co., Ltd (KCC) – 100.00%
- Ayudhya Capital Services Co., Ltd. (AYCAP) – 100.00%
- Tesco Lotus Money Services Ltd. (TMS) – 50.00%
- General Card Services Ltd. (GCS) – 100.00%



## Auto Hire Purchase and Leasing

- Ayudhya Capital Auto Lease Plc. (AYCAL) – 100.00%
- Krungsri Leasing Services Co., Ltd (KLS) – 100.00%



## Collection Services

- Total Services Solutions Plc. (TSS) – 100.00%



## Microfinance

- Ngern Tid Lor Co., Ltd. (NTL) – 50.00%
- Hattha Kaksekar Limited (HKL) – 100.00%
- Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. (KSM) – 99.99%



## Leasing

- Ayudhya Development Leasing Co., Ltd. (ADLC) – 99.99%



## Asset Management

- Krungsri Ayudhya AMC Ltd. (KAMC) – 100.00%

## Investment Management

- Krungsri Asset Management Co., Ltd. (KSAM) – 76.59%



## IT Solutions Hub

- Krungsri Nimble Co., Ltd. (KSN) – 100.00%



## Securities

- Krungsri Securities Plc. (KSS) – 99.84%



## Support Business

- Siam Realty and Services Security Co., Ltd. (SRS) – 100.00%
- Hattha Services Co., Ltd. (HSL) – 49.00%



## Life Insurance

- Krungsri Life Assurance Broker Ltd. (KLAB) – 100.00%
- Tesco Life Assurance Broker Ltd. (TLAB) – 50.00%



## Non-life Insurance

- Krungsri General Insurance Broker Ltd. (KGIB) – 100.00%
- Tesco General Insurance Broker Ltd. (TGIB) – 50.00%



## Venture Capital

- Krungsri Finnivate Co., Ltd. (KFin) – 100.00%



**Krungsri ... full fledged Universal Bank**

# Krungsri: Credit Ratings

## International Ratings (as of June 2020)

	Fitch Ratings		Moody's		Standard & Poor's	
	Foreign currency Long Term	Outlook	Foreign Long Term Deposit	Outlook	Issuer Credit Rating Long Term	Outlook
Krungsri	BBB+	Stable	Baa1	Stable	BBB+	Stable

## National Ratings

	Fitch Ratings (Thailand)		Tris Rating	
	Long Term	Outlook	Company Rating	Outlook
Krungsri	AAA (tha)	Stable	AAA	Stable
Krungsri Auto <sup>/1</sup>	na	na	AA+	Stable
Krungsri Card <sup>/2</sup>	na	na	AAA	Stable
Ngern Tid Lor	na	na	A-	Stable
Hattha Kaksekar	na	na	BBB+	Stable

<sup>/1</sup> Ayudhya Capital Auto Lease Plc. (AYCAL)

<sup>/2</sup> Krungsriayudhya Card Co., Ltd. (KCC)

# What guides us: Mission, Vision and Values



## Krungsri MISSION

"To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth."

## Krungsri VISION

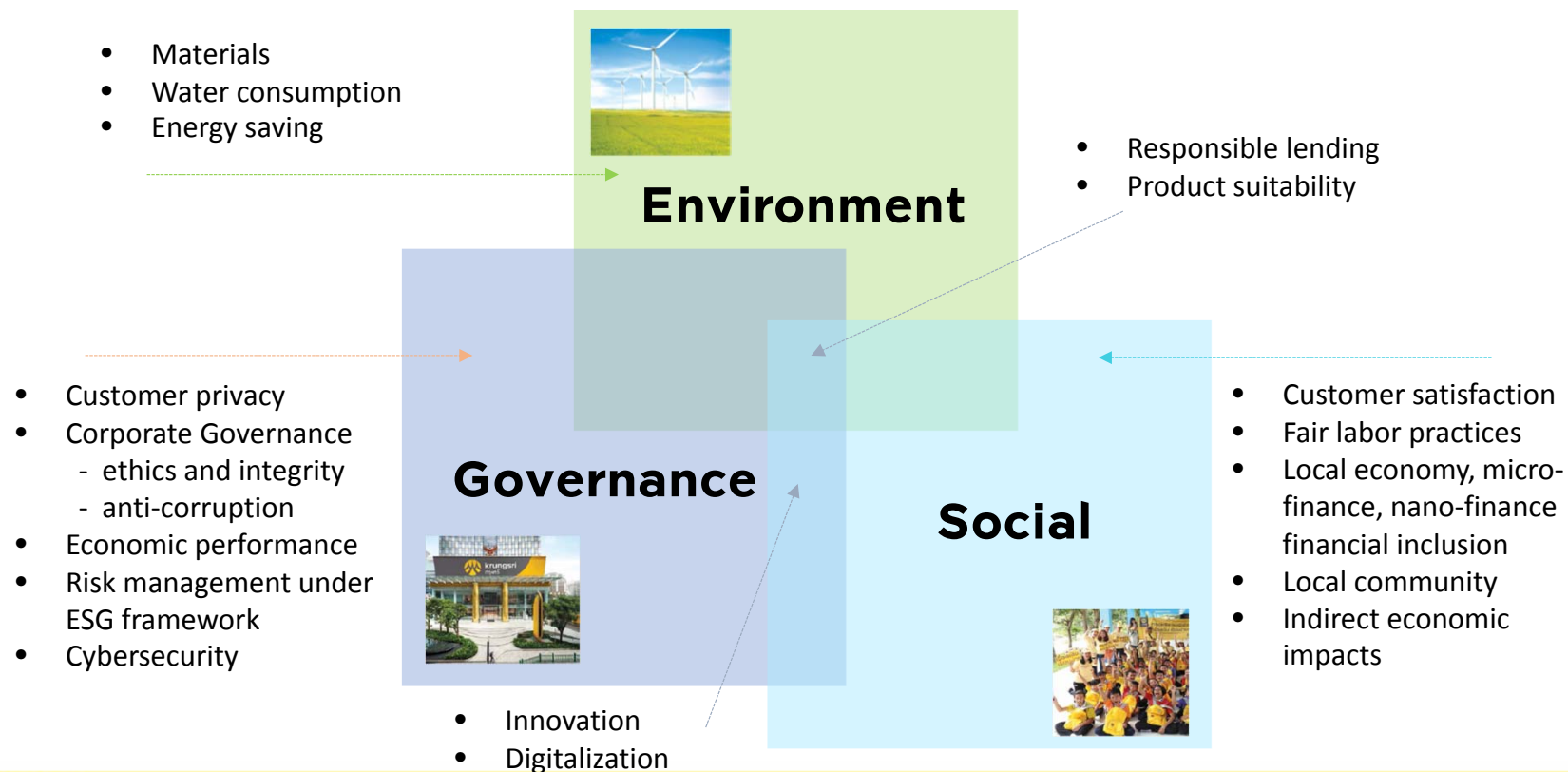
"Highly qualified team of professionals providing innovative products and services, dedicated to becoming our customers' number one preferred financial group."

## Krungsri VALUES

Customer Centricity  
Team Spirit  
Integrity  
Passion for Excellence  
Making Innovative Changes  
Global Awareness

# Krungsri's Mission

“ To be a leading regional financial institution with global reach,  
committed responsibly to meeting needs of our customers and  
**serving society through sustainable growth ”**





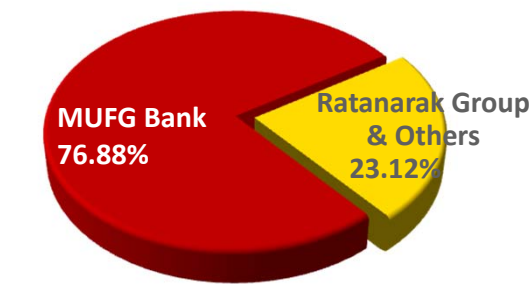
# Krungsri and SDG 2030



# Krungsri Group Profile

## Shareholding Structure

(as of 11 June 2020)



## Krungsri Group

- Auto HP** Ayudhya Capital Auto Lease Plc. (AYCAL)  
Krungsri Leasing Services Co., Ltd. (KLS)
- Microfinance** Ngern Tid Lor Co., Ltd. (NTL)  
Hattha Kaksekar Limited (HKL)  
Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. (KSM)
- Securities** Krungsri Securities Plc. (KSS)
- Investment** Krungsri Asset Management Co., Ltd. (KSAM)
- Leasing** Ayudhya Development Leasing Co., Ltd. (ADLC)
- IT Services** Krungsri Nimble Co., Ltd. (KSN)
- Asset Mgmt.** Krungsri Ayudhya AMC Ltd. (KAMC)
- Credit Card, Personal Loan & Sales Finance** Krungsriayudhya Card Co., Ltd. (KCC)  
Ayudhya Capital Services Co., Ltd. (AYCAP)  
Tesco Lotus Money Services Ltd. (TMS)  
General Card Services Ltd. (GCS)
- Debt Collection** Total Services Solutions Plc. (TSS)
- Support** Siam Realty and Services Security Co., Ltd. (SRS)  
Hattha Services Co., Ltd. (HSL)
- Life Insurance Broker** Krungsri Life Assurance Broker Ltd. (KLAB)  
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- Non-Life Insurance Broker** Krungsri General Insurance Broker Ltd. (KGIB)  
Tesco General Insurance Broker Ltd. (TGIB)
- Venture Capital** Krungsri Finnivate Co. Ltd. (KFin)

## International Ratings

Fitch Ratings	Standard & Poor's	Moody's
BBB+	BBB+	Baa1

## National Ratings

Fitch Ratings (Thailand)	TRIS Rating
AAA (tha)	AAA

**Workforce:** Krungsri Group 33,282 / BAY 15,083

## Extensive Franchise: 33,461 Service Outlets

As of June 2020	Number
Domestic Branches	683 *
Overseas Branches	2
Representative Office	1
ATMs	6,638
Exchange Booths	82
Krungsri Exclusive / Krungsri The Advisory	42 / 5
Krungsri Business Centers	62

\* Krungsri domestic branches = 683 branches, of which 643 are Banking Branches and 40 are Auto Business Branches

\*\* Banking agents' touch points: Thai Post Offices, Boonterm Kiosks, Counter Service 7-11, Max Mart in PT gas stations, Bank of Agriculture and Agricultural Cooperatives, and Big C

## Leadership Position

As of June 2020	Market Position	% Share
Consumer		
Personal Loan	1	30%
Credit Card	1	16%
Auto (HP)	1	29%
SME	5	5%
Corporate	5	12%

As of June 2020	Number
First Choice Branches	138 Branches
+ Dealers	+ 22,365 Dealers
Krungsri Auto Dealers	> 8,848 Dealers
Microfinance Branches	1,056
Microfinance Overseas Branches (HKL)	177
EDC Machines	85,192
Banking Agents Touch Points **	> 135,126

Who we are

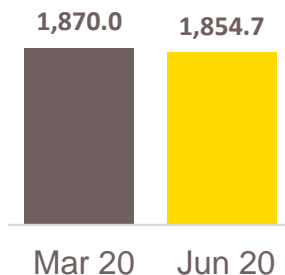
**Key Financials & Development Highlights**

Medium-Term Business Plan 2018-2020 Achievements

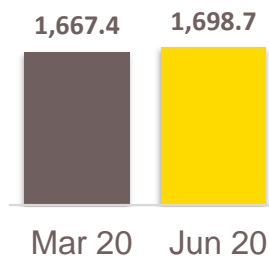
## 2Q 2020 Key Financial Highlights

**Loan Growth**  
-0.8% QoQ / +5.6% YoY

Consolidated  
(Baht Billion)



**Deposit Growth**  
+1.9% QoQ / +13.4% YoY



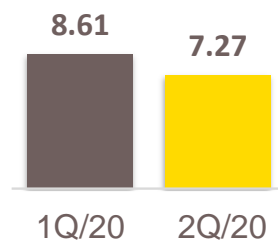
**CASA**

**43.9%**

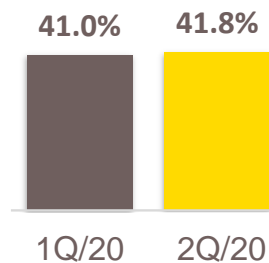
**NIM**

**3.51%**

**Non-interest Income Growth**  
-15.6% QoQ / -21.7% YoY



**Cost-to-Income Ratio**



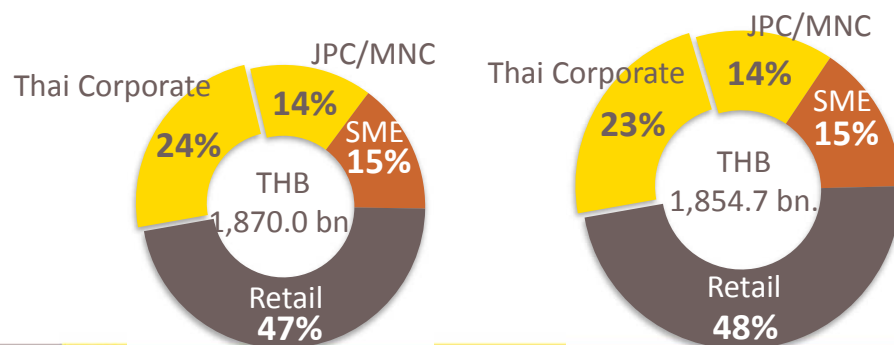
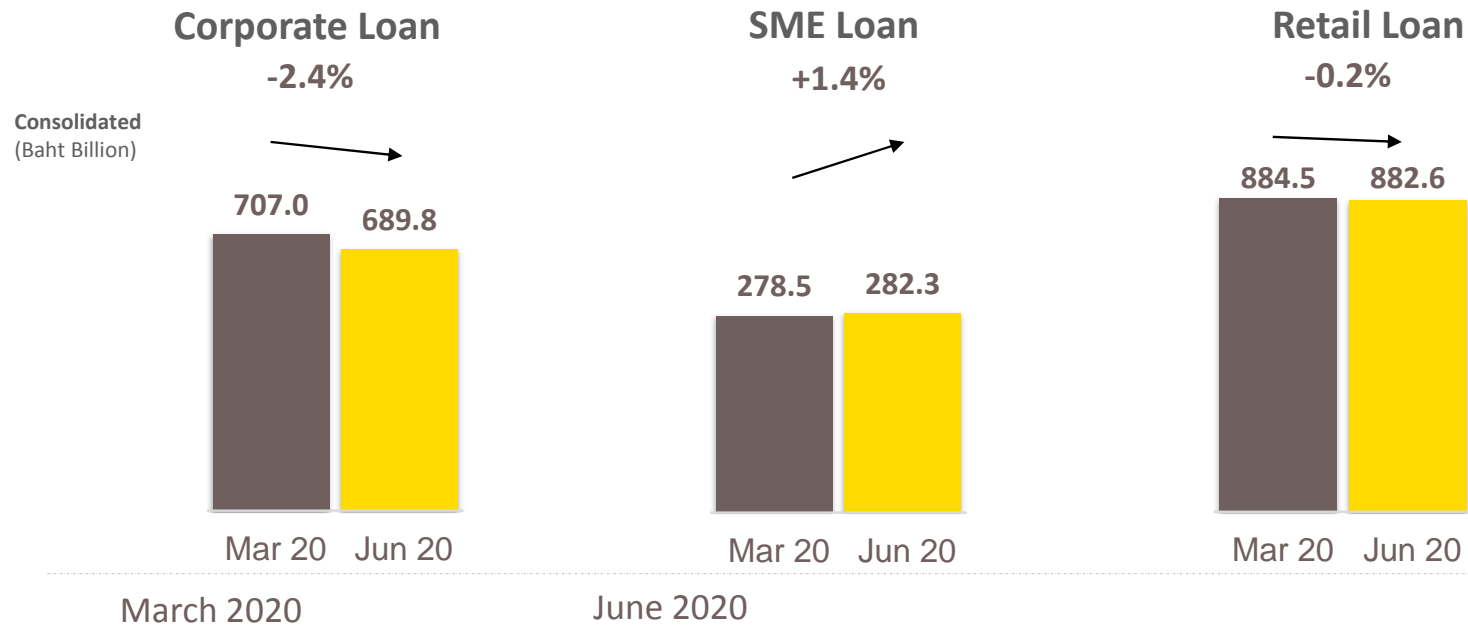
**NPL Ratio**

**2.20%**

**Coverage Ratio**

**156.2%**

# Loans by Segments



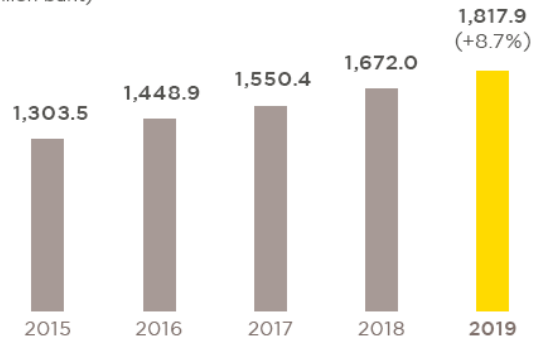
Retail

• Auto HP	23%
• Mortgage	15%
• Credit Card Personal Loans	10%

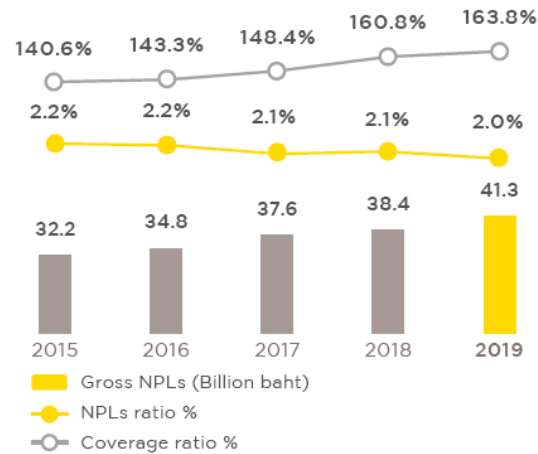
# 5 Years Financial Highlights

## Loans

(Billion baht)

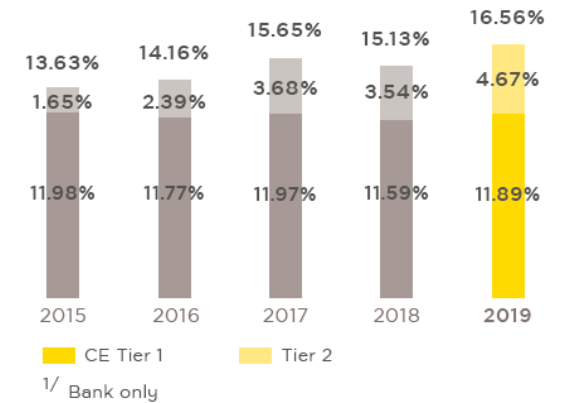


## NPL Ratio



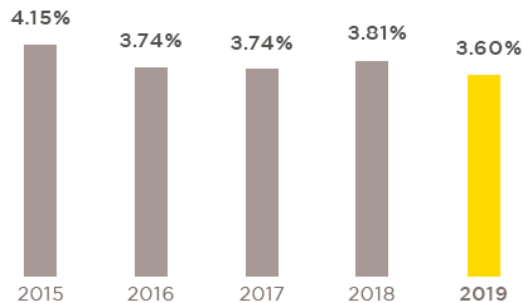
## Capital Adequacy Ratio <sup>1/</sup>

(Percent)



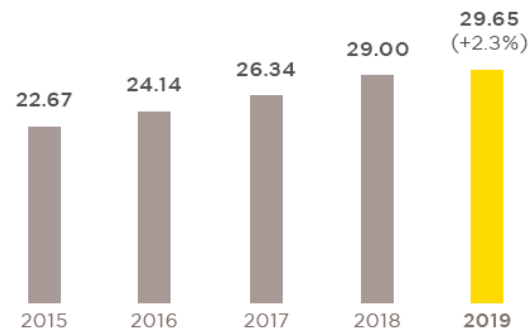
## Net Interest Margin (NIM)

(Percent)



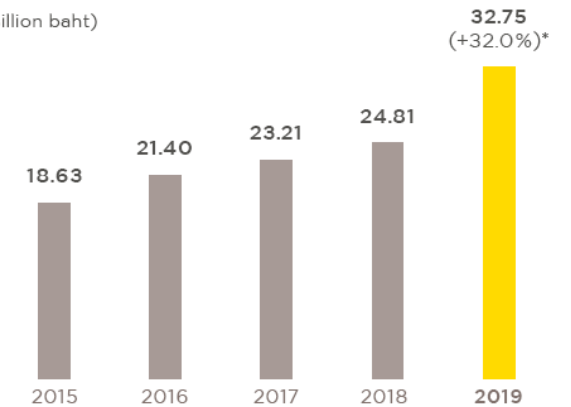
## Fees and Service Income

(Billion baht)



## Net Profit <sup>2/</sup>

(Billion baht)



<sup>2/</sup> Attributable to equity holders of the Bank

# Thailand Economic Outlook

2020 Outlook: U-shaped recovery ahead.

## 2020 Key Economic Forecasts

% YoY growth unless otherwise stated	2018A	2019A	2020F
<b>GDP</b>	<b>4.2</b>	<b>2.4</b>	<b>-10.3</b>
Private Consumption	4.6	4.5	-4.2
Private Investment	4.1	2.8	-14.7
Exports (in USD term)	7.5	-3.3	-12.5
Headline Inflation	1.1	0.7	-1.1
Policy Interest Rate (% end of period)	1.75	1.25	0.50

Note: 2020 forecast by Krungsri Research

### Krungsri Research's view:

- Thai economic growth is projected at a new low of -10.3% this year, compared to the previous forecast of -5.0%.
- The global pandemic is more severe than previously expected, meaning international travel bans will not be lifted soon. Foreign tourist arrivals could tumble by 83% this year. There is a greater downside risk to the Thai economy due to delayed fiscal stimulus measures and inadequate monetary policy transmission mechanism.

Sources: NESDC, MOC, BOT, Krungsri Research

### Headwinds

- Impacts of the coronavirus outbreak on tourism, supply disruption (at home and abroad), and income effect
- Global economic recession
- Delays in infrastructure investments
- Worse-than-expected drought
- Downward spiral of lower confidence and weaker growth
- Other risks: rising debts, EU-Vietnam FTA
- Structural problems e.g. labor shortage and eroding competitiveness in some sectors

### Tailwinds

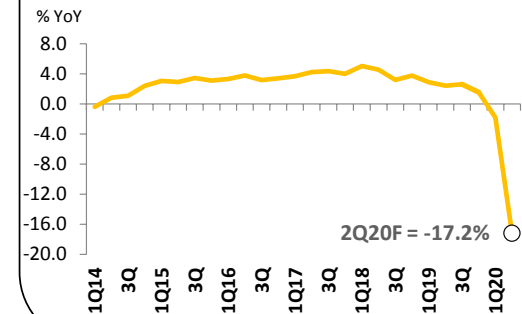
- Global massive easing of fiscal and monetary policies
- Domestic stimulus measures worth THB1.9 trn to alleviate COVID-19 impacts
- Thailand's sound economic fundamentals

# Recent Economic Developments

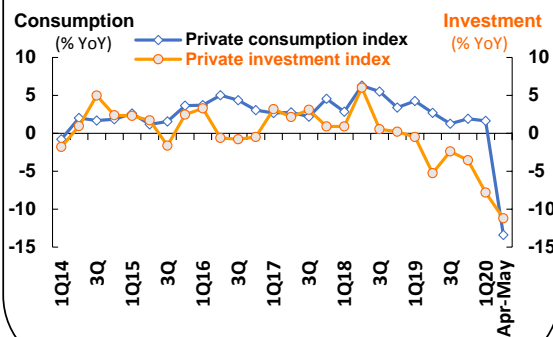
The COVID-19 pandemic is expected to cause a 17.2 % contraction of 2Q/20 Thai GDP due to the crippled tourism industry and multiplier effect.

- Foreign tourist arrivals fell by 100% in 2Q/20, hit by the coronavirus pandemic.
- Exports were dragged by global lockdown and demand shock.
- Easing lockdown measures helped to nudge up confidence but household consumption and business investment continued to tumble.
- Much weaker labor market might undermine economic recovery in the next period.

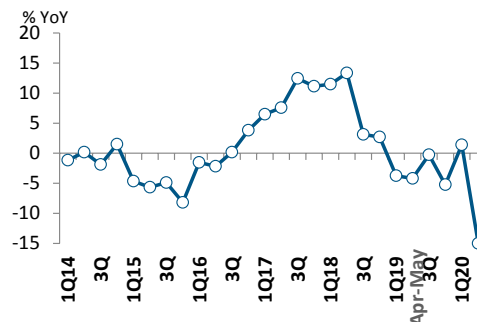
**GDP: plunging economic activity amid deteriorating confidence**



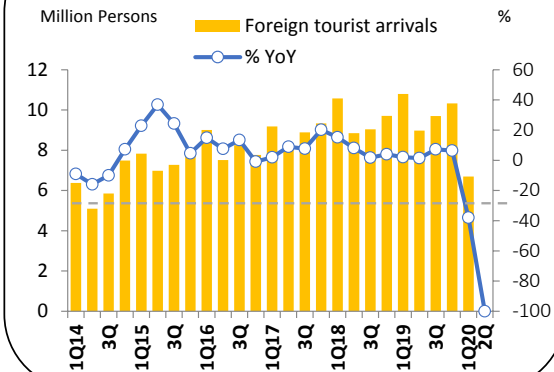
**Domestic demand: shrinking consumption and investment**



**Exports: dragged by global lockdown and demand shock**



**Tourism: hit by COVID-19 outbreak**



Sources: NESDC, BOT, MOTs, Krungsri Research



Who we are

Key Financials & Development Highlights

▶ Medium-Term Business Plan 2018-2020 Achievements

# Recap: MTBP 2018-2020 Core Strategies

Our ASPIRATION:

***To be a Top Tier Financial Group in Thailand***

## - Key Themes -

- *Lead by Innovation. Think “Digital First”*
- *Enhance Customer Experience to become a Main Bank*
- *Enhance Retail & Commercial Banking Platform, and achieve Sustainable Growth*

**Key Measures**

Size: Selectively Grow

Profitability: Improve Productivity & Efficiency

Recognition: Top Tier Financial Group by Stakeholders

## Core Strategies



# Enhance Customer Experience towards Customer Engagement



## Existing Features

Digital Lending



Cardless



Thai QR Payment



Smart Advisor



## New Features in 2019

Apply for Credit Card



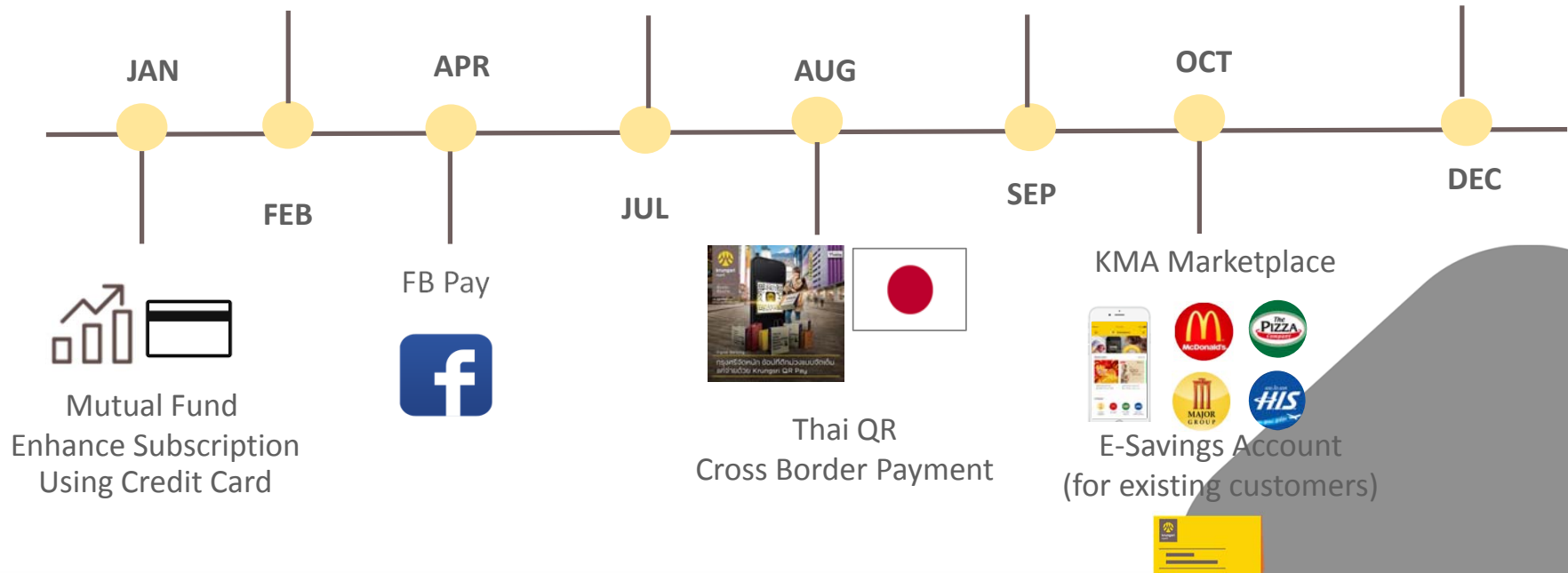
Open Mutual fund Account



Mutual Fund  
Dollar Cost Average

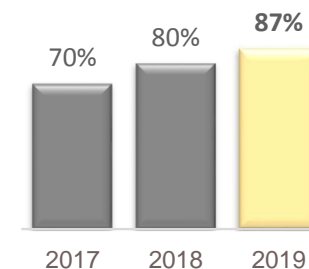
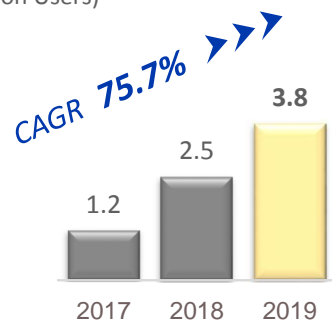
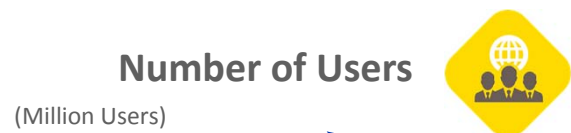


  
SOMPO  
Travel Insurance



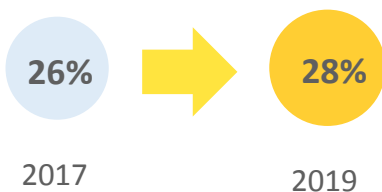
# Enhance Customer Experience towards Customer Engagement (Cont.)

## Krungsri Mobile Banking (KMA)

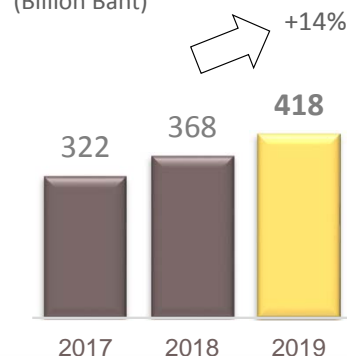


## Krungsri Auto

### Market Share\*



### Loan Outstanding (Billion Baht)



Remark\*: Based on NEA of 6 major banks

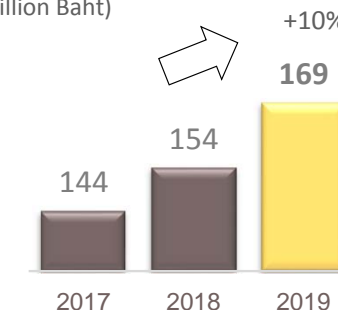
## Krungsri Consumer

**Rank #1**

**9.1 million accounts**

(credit cards, sales finance, and personal loans)

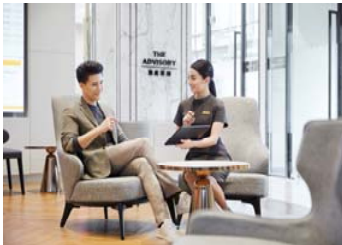
### Loan Outstanding (Billion Baht)



# Upgrade Advisory Capabilities & Service Quality of Retail Banking

## Upgrade Advisory Capabilities

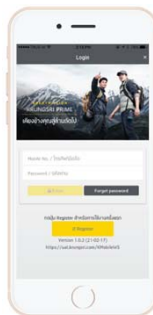
### The Advisory



### Mobile Application

Exclusive Menu on KMA

Krungsri Prime Application



## Distribution Network

### New Branch Model



Smart Branch



Partnership Branch

### New Banking Agent

*'The first time in Thailand that a financial institution appointed another one as its banking agent'*

Bank for Agriculture and  
Agricultural Cooperatives  
(BAAC)



Max Mart  
in PT gas stations



Counter Service at 7-11

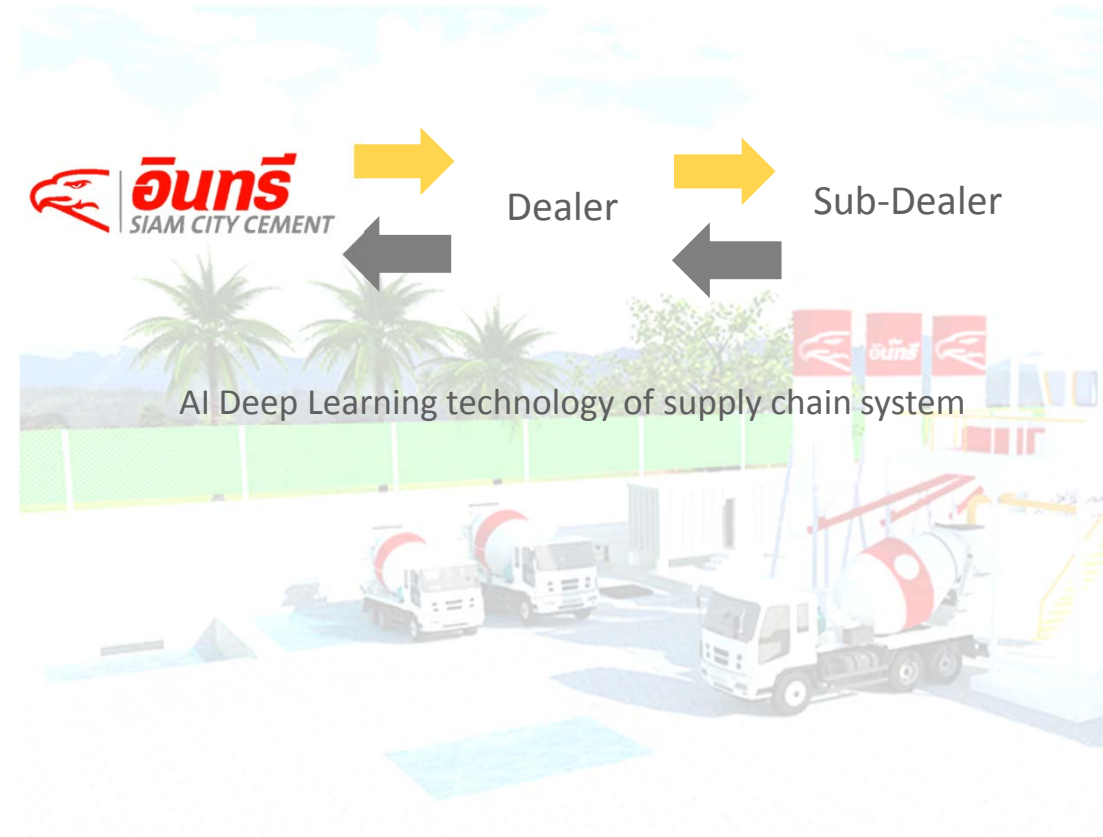


# Grow SME Banking through Digital & Innovation Capabilities

## Krungsri Blockchain Interledger



## Krungsri Supply Chain on Blockchain





# Execute Commercial Banking Transformation

## 1. Adopted a business and platform strategy to transform Corporate Banking to become a “Trusted Banking Partner”

- Conducted in-depth analysis of Corporate Banking opportunities and challenges
- Created a roadmap to transform Corporate Banking in stages under each key pillar
- Implemented strategic initiatives to strengthen the Corporate Banking foundation



## 2. Executing the business strategy, in parallel with expediting platform transformation to build competitive edges in becoming “Trusted Banking Partner”

- Play to our strengths as a leading Thai bank with global network, strong local franchise, and a full suite of products and services
- Enhance business origination process to improve productivity
- Re-design future business process to optimize customer experience

# Strengthen Product Capability to Offer Financial Solutions

- Enhanced portfolio profitability and quality
- Proactively advised solutions that best fit corporate customers
- Raised the operating foundation to keep up with the competitive banking landscape

## Achievements of Our Total Solutions



Provided bridge loan and bond to finance Glow Group's acquisition deal



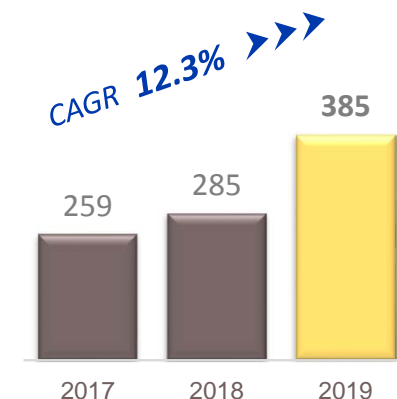
Provided real estate investment trust (REIT) advisory and underwriting services



Provided merger and acquisition advisory Services in acquisition of KT Restaurant Co., Ltd.

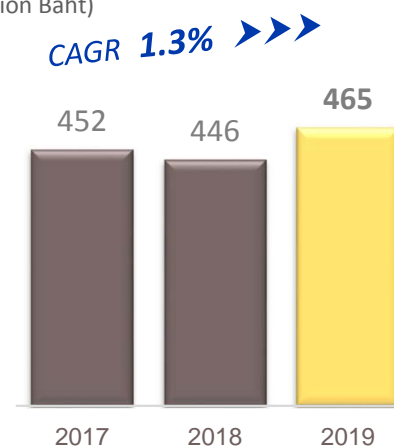
## Fees from IB

(Million Baht)



## Fees from Transaction Banking\*

(Million Baht)



\* Cash Management, Export and Import



# Expand Collaboration within Krungsri & Synergies with MUFG & Strategic Partners

## Supply Chain Financing



- Provided end-to-end solutions from Supplier Financing, Dealer Financing, to Hire Purchase

## Business Matching



- Krungsri and MUFG jointly organized the Business Matching Fair for the seventh time in Thailand

## Thai-JPC/MNC Joint Venture (Real Estate Collaboration)



- Supported project finances for JVs between Thai developers and JPC/MNC developers

## Transactional Banking



- Leveraged products and process know-how from MUFG to close market product gaps

## Investment Banking



- Enhanced cross-selling of investment banking products, by leveraging MUFG's global product capabilities

## Cross-border Business



- Utilized MUFG's global network to support Thai corporates going abroad

## Payroll Account Acquisition



- Acquired more than 80,000 payroll accounts & promoted cross-selling of retail banking services

## Cross-border QR Code Payment



- This service provides greater payment convenience and security for Thai tourists visiting Japan

# Accelerate Digital and Innovation Execution

## Krungsri Corporate / SME

### Krungsri Blockchain Interledger



### Krungsri Cashless Chain



### Krungsri Supply Chain on Blockchain



Mitsubishi Corporation **IRPC**

**อูนริ** SIAM CITY CEMENT **ptt LPG**

## Mortgage Loan

### Di Sales

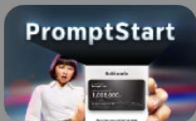


### Krungsri Home Loan Connect



## Krungsri Auto

### Digital Lending



### E-Consent



### Insurance Online



## Krungsri Consumer

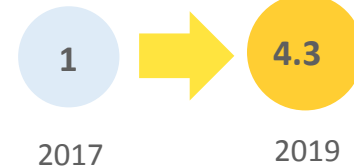


### AI Manow: The AI Virtual Agent



### Tablet Application Krungsri First Choice

### Number of Users (Million Users)



### UChoose Application

# Accelerate Digital and Innovation Execution (Cont.)

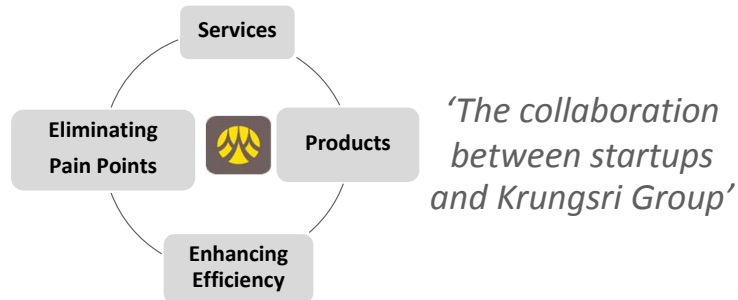
## Krungsri Finnovate



### Krungsri RISE



### Startup Strategic Partnerships



### Corporate Venture Capital



Series A

AI & Data Analytics for FIs

2017-2018



Series A+

POS & CRM Platform for Business



Series B

AI & Big Data systems and Platform to expand the B2B customer base



Note: \* The first investment in Baania was the series-A investment, the first big-data for real estate in 2018.

## Krungsri NIMBLE



Ms. Saisunee Hanprathueangsil  
Managing Director

A new subsidiary 'Krungsri Nimble', an IT solutions hub established to enhance Krungsri's financial technology and innovation development.

# Regional Footprint Expansion

Krungsri to enter the Philippines through strategic alliance with Security Bank

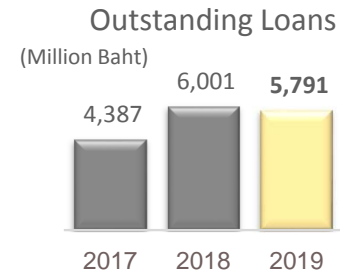
## Myanmar

- Krungsri Representative Office
- BTMU branch in **Yangon**

## Lao PDR

2 Branches in **Vientiane** and **Savannakhet**

## Krungsri Leasing Services Co., Ltd. (KLS)



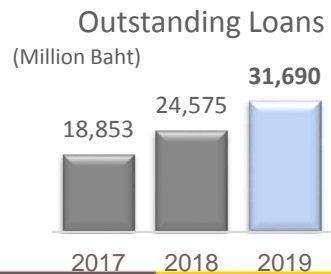
## Philippines

Joint venture business  
with Security Bank  
Corporation (SBC)

## Cambodia



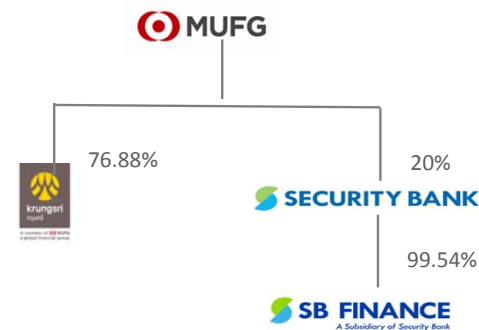
## Hattha Kaksekar Limited (HKL)



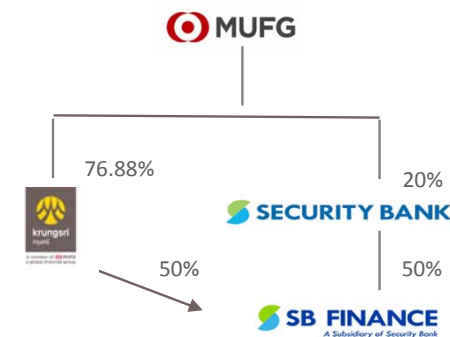
## Vietnam

- 2 of MUFG Bank Branches in **Ho Chi Minh City** and **Hanoi**
- Collaborating with **VietinBank**

## Pre-Transaction



## Post-Transaction



# Sustainable Banking Priority

## ESG Excellence & Financial Inclusion

### ESG Awards and Recognition



- Asia's Best CEO
- Best Investor Relations Professional



- Asia's Best CFO
- Best Environmental Responsibility



- Sustainability Disclosure Award



- Thailand Sustainability Investment (THSI)

### Social Bond



- First private-sector "gender" bond in the Asia Pacific region and the first social bond issuance in Asian emerging markets

### Memorandum of Understanding



- MOU on "Sustainable Banking Guidelines – Responsible Lending"



- MOU with Social Enterprise Thailand Association (SETH)



# 2020 Business Initiatives

## Internal Process Improvement

### Products / Services Processes Applying RPA



- Increasing operational efficiency
- Reducing manual operations
- Improving services to customers

**124,325 hour saved**

## Strategic alliance with Grab



## New Products Launch



### Green & ESG Bonds



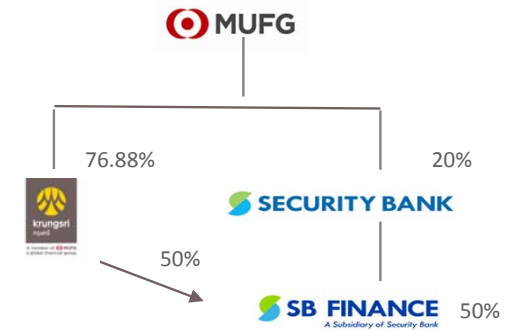
## Kept by Krungsri



## Krungsri Finnovate – New Investment



## Business Acquisition - SBF





## 2020 Key Focus

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# 2020 Key Focus

## ENHANCE CUSTOMER EXPERIENCE

### Digital Transformation

- Digital Lending
- Digital Bank
- Digitized customer onboarding process
- Digitized FX Products
- Digitized Corporate / Industry Solutions

### Elevate Human Touch Experience

- Financial advisory capabilities for suitable investment and lending solutions

### Omni Channel

- Smart Branch
- Enhance KMA/KOL/KBOL
- Digitized Call Center Service





# 2020 Key Focus

## UTILIZING DATA DRIVEN CAPABILITIES

- Build customer empathy in all segments / niche markets
- Improve Productivity and Efficiency
  - Digitized operations through AI/ML and RPA
- Proactive Risk Management through AI/DATA Intelligence



# 2020 Key Focus

## PARTNERSHIP STRATEGY

- Expanding partnership network to create value-added ecosystem to customers.

### Car User Ecosystem



### Home User Ecosystem



### SME Ecosystem



# 2020 Key Focus

## OVERSEAS BUSINESS EXPANSION AND COLLABORATION

### Collaboration with Partner Banks

- Business Expansion
- Co-development on cross-border transaction products

### Collaboration with MUFG

- Technology development and investment
- Leverage MUFG Network and Capabilities to serve Thai customers
- Further deepen and expand Business Matching, cross-border investment and lending products



# 2020 Key Focus

## Sustainable Banking Priority

- Transition to low carbon economy

### Organization



- Low carbon organization
- 75<sup>th</sup> Anniversary: 7.5 Million kgCO<sub>2</sub>e Less

### Products & Services







- Responsible Financing and Investment
- Reference & alignment to international best practices / standards

### Society



- Green & Sustainable CSR programs

# 2020 Financial Targets

	2019A	1H/2020A	2020F (Original)	Current Outlook
 Loan Growth	8.7%	2.0%	5-7%	Moderating from original target given the ongoing global pandemic
Loan Mix: Retail	49%	48%	~ 50%	
 NIM	3.6%	3.74%	3.4-3.6%	
Non-Interest Income Growth (%YoY)	6.7% <sup>*</sup>	-11.7%**	-3% to 3% <sup>**</sup>	Downside risks from original target due to sharp downturn in consumer spending and business activities
 Cost to Income Ratio	45.1% <sup>***</sup>	41.4%	< 50%	
Provisions	156 bps	188 bps	130-150 bps	Elevated from original target to reflect higher ECL
 NPL Ratio	1.98%	2.20%	< 2.5%	
Loan Loss Coverage Ratio	164%	156%	140-150%	

\* Normalized non-interest income growth which excluded the one-time gains on investments from NTL transaction in 1Q/2019. Incorporating the one-time gains on investment from NTL transaction, the non-interest income increased by 31.9% from 2018.

\*\* Based on the normalized growth rate in 2019.

\*\*\* Normalized cost to income ratio (excluding one-time items)



## Best Sustainable Bank in Thailand

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